

Message Text

UNCLASSIFIED

PAGE 01 STATE 255993

45

ORIGIN ARA-10

INFO OCT-01 ISO-00 L-03 IO-10 FTC-01 JUSE-00 SP-02 AID-05

EB-07 NSC-05 CIEP-02 TRSE-00 SS-15 STR-04 OMB-01

CEA-01 CIAE-00 COME-00 FRB-01 INR-07 NSAE-00 USIA-15

XMB-04 OPIC-06 LAB-04 SIL-01 H-02 PA-02 PRS-01 EUR-12

AGR-10 /132 R

DRAFTED BY USOAS:PAMONTAVON:AVG

APPROVED BY USOAS: REWHITE

DESIRED DISTRIBUTION

EB, L/ARA

----- 047955

R 291429Z OCT 75

FM SECSTATE WASHDC

TO ALL AMERICAN REPUBLIC DIPLOMATIC POSTS

USCINSCO

UNCLAS STATE 255993

E.O. 11652: N/A

AGS: OAS, PFOR, EINV, BDIS

SUBJECT: OAS CONSIDERATION OF TRANSNATIONAL ENTERPRISES

1. IN A MEETING ON OCTOBER 28, PURSUANT TO PERMANENT COUNCIL RESOLUTION ON THE SUBJECT, U.S. REPRESENTATIVE MADE THE FOLLOWING STATEMENT WHICH IS BEING TRANSMITTED FOR YOUR INFORMATION.

QUOTE. ON JULY 10, THE PERMANENT COUNCIL OF THE OAS, WITH THE SUPPORT OF THE UNITED STATES, APPROVED RESOLUTION CP/RES. 154 (167/75) WHICH CONDEMNS BRIBERY AND ILLEGAL PAYMENTS BY MULTINATIONAL ENTERPRISES AND SOLICITATION OF IMPROPER PAYMENTS BY ANY PUBLIC OR PRIVATE
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 STATE 255993

PERSON. THIS RESOLUTION ALSO CALLS FOR CERTAIN OTHER

ACTIONS REGARDING MULTINATIONAL ENTERPRISES, INCLUDING A STUDY OF PRINCIPLES OF CONDUCT APPLICABLE TO SUCH ENTERPRISES, TAKING INTO ACCOUNT SIMILAR WORK BEING CARRIED OUT IN THE UNITED NATIONS.

"THE UNITED STATES WISHES TO REITERATE THAT ITS SUPPORT OF RESOLUTION 154 SHOULD NOT BE CONSTRUED AS A MODIFICATION OF ITS POSITIONS ON MULTINATIONAL ENTERPRISE-RELATED ISSUES ENUNCIATED PREVIOUSLY IN THE OAS, THE UNITED NATIONS (A DETAILED EXPOSITION OF UNITED

STATES GOVERNMENT VIEWS ON THIS SUBJECT WAS CONTAINED IN SECRETARY KISSINGER'S ADDRESS BEFORE THE SEVENTH SPECIAL SESSION OF THE UN GENERAL ASSEMBLY, SEPTEMBER 1, 1975), AND OTHER FORA. THE EXPLANATION OF VOTE BY THE UNITED STATES DELEGATE AT THE TIME THE RESOLUTION WAS APPROVED MADE REFERENCE TO THIS POINT. THE UNITED STATES NOW CONSIDERS IT USEFUL TO PROVIDE TO ITS FELLOW AMERICAN STATES A BRIEF REVIEW OF ITS POSITION WITH REGARD TO MULTINATIONAL ENTERPRISES AND CODES OF CONDUCT FOR SUCH ENTERPRISES.

"IT IS THE GENERAL VIEW OF THE UNITED STATES THAT MULTINATIONAL ENTERPRISES HAVE MADE, AND SHOULD BE ENCOURAGED TO CONTINUE TO MAKE, MAJOR CONTRIBUTIONS TO WORLD ECONOMIC WELFARE AND DEVELOPMENT. THE RECORD OF THE MULTINATIONAL ENTERPRISE IN RESPONDING TO EVER-GROWING INTERNATIONAL DEMANDS FOR GOODS, SERVICES (INCLUDING THOSE OF MANAGEMENT), CAPITAL, AND TECHNOLOGY IS A VERY CREDITABLE ONE. AT THE SAME TIME, WE RECOGNIZE THAT ACTIVITIES OF MULTINATIONAL ENTERPRISES CAN RAISE ISSUES OF CONCERN TO GOVERNMENTS, INCLUDING INSTANCES OF CONFLICTS OF LAW BETWEEN NATIONS AND OF DIVERGENCE BETWEEN THE GOALS OF GOVERNMENTS AND THOSE OF MULTINATIONAL ENTERPRISES. DESIROUS OF RESOLVING SUCH PROBLEMS WHEREVER POSSIBLE, THE UNITED STATES IS PARTICIPATING IN DISCUSSIONS OF MULTINATIONAL ENTERPRISE ISSUES, INCLUDING THE DESIRABILITY OF AN INTERNATIONALLY-ACCEPTED STATEMENT OF PRINCIPLES OF BEHAVIOR RELATING TO MULTINATIONAL ENTERPRISES, IN A VARIETY OF INTERNATIONAL FORA.

UNCLASSIFIED

UNCLASSIFIED

PAGE 03 STATE 255993

IN THE VIEW OF THE UNITED STATES, SUCH DISCUSSIONS SHOULD BE BROAD IN SCOPE, ADDRESSING BENEFICIAL AS WELL AS ANY UNFAVORABLE EFFECTS OF ACTIVITIES OF MULTINATIONAL ENTERPRISES AND RESPONSIBILITIES OF GOVERNMENTS AS WELL AS OF ENTERPRISES.

"THE UNITED STATES CONSIDERS THAT ANY CODE OF CONDUCT RELATING TO THE ACTIVITIES OF MULTINATIONAL ENTERPRISES

SHOULD BE INDICATIVE RATHER THAN MANDATORY AND THUS NOT
SEEK TO SUPERSEDE EXISTING LAW. IT SHOULD ARTICULATE
GENERAL PRINCIPLES OF GOOD BUSINESS PRACTICE APPLICABLE,
WHERE RELEVANT, TO ALL ENTERPRISES, WHETHER MULTINATIONAL
OR NATIONAL, WHETHER OWNED PRIVATELY, BY THE STATE, OR
BY A MIXTURE OF THE TWO. IT SHOULD INDICATE THAT MULTI-
NATIONAL ENTERPRISES HAVE AN OBLIGATION TO COMPLY WITH
LOCAL LAW AND THAT THEY SHOULD TAKE ACCOUNT OF PUBLIC
POLICY AND NATIONAL DEVELOPMENT PRIORITIES; AT THE SAME
TIME, IT SHOULD CONFIRM THE OBLIGATION OF GOVERNMENTS TO
TREAT THESE ENTERPRISES EQUITABLY AND IN ACCORDANCE WITH
INTERNATIONAL LAW. ANY CODE SHOULD ALSO INDICATE THE

NECESSITY FOR BOTH ENTERPRISES AND GOVERNMENTS TO RESPECT
CONTRACTUAL OBLIGATIONS FREELY UNDERTAKEN BY THEM.
END QUOTE. KISSINGER

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CORRUPTION, SPEECHES, MULTINATIONAL CORPORATIONS, RESOLUTIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 29 OCT 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975STATE255993
Document Source: CORE
Document Unique ID: 00
Drafter: PAMONTAVON:AVG
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750375-0210
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19751013/aaaaalpt.tel
Line Count: 131
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN ARA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: buchant0
Review Comment: n/a
Review Content Flags:
Review Date: 04 NOV 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <04 NOV 2003 by MaustMC>; APPROVED <28 JAN 2004 by buchant0>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: OAS CONSIDERATION OF TRANSNATIONAL ENTERPRISES
TAGS: PFOR, EINV, BDIS, US, OAS
To: ALL POSTS USCINCSO
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006